



BACKGROUNDERS
Press Information Bureau
Government of India

Logistics: India's growth engine

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"Strengthening of the logistics sector will not only make the life of a common man easier but will also help in increasing the respect of labor and workers".

- Prime Minister Narendra Modi

Key Takeaways

- Government initiatives like the National Logistics Policy, GatiShakti, GST and Logistics Parks are modernizing infrastructure and cutting costs.
- The sector employs over 22 million people and is creating millions of new jobs.
- Inland Waterways reported a record cargo of 145.5 million tonnes for 2024–25.
- Digitalization and tech platforms like ULIP are boosting efficiency and transparency across supply chains.

Introduction

India stands as the fourth-largest economy in the world. Different sectors, including the service, manufacturing, and agriculture, led India's strong recovery after the pandemic in 2021 and 2022, resulting in 15.3% growth over the two years. India has since maintained its status as the world's fastest-growing major economy, with a real GDP growth rate (at constant prices) of **6.5% in the year 2024-2025**. Stronger supply chains today mean a stronger, more resilient India tomorrow. The government's push for infrastructure development and digitalization has further accelerated growth, establishing India as a key logistics hub in Asia.

Overview of the Logistics Landscape in India

In July 2017, a separate logistics unit was created under the Department of Commerce to oversee the **Integrated Development of Logistics Sector**. The Logistics Industry plays a crucial role in economic growth and trade. It supports manufacturing, retail, e-commerce, and services by managing inventory, transportation, storage, warehousing, and distribution, linking producers to consumers, both domestically and internationally.



India's logistics sector was valued at USD 215 billion in 2021. It is well-positioned for strong growth with an expected **compound annual growth rate (CAGR)** of 10.7% till 2026. The government's decision to grant the sector **infrastructure status** has enabled access to cheaper, long-term funding, similar to roads and railways, further solidifying its significant role in the growth story of India.

Key Government Initiatives in Logistics

National Logistics Policy

The **National Logistics Policy (NLP)** was launched in September 2022 to complement the NMP. The primary objective is to create a more seamless logistics ecosystem by improving efficiency and reducing logistics costs. As part of this reform, digital initiatives like the Unified Logistics Interface Platform (ULIP) and the Logistics Data Bank (LDB) are now fully operational, aiming to enhance ease of doing business and enable tracking of containerized Export Import (EXIM) cargo.



PM GatiShakti Master Plan

It was launched by the government in October 2021 to integrate different modes of transport into a coordinated network. As the name translates to Power of Speed, it symbolizes the plan's focus on faster, seamless and ambitious infrastructure and logistics development strategy aimed to transform India's multimodal connectivity. The **PM GatiShakti National Master Plan (NMP)** has brought together **57 Central Ministries/Departments** and all **36 states and union territories**. It has also integrated massive 1,700 data layers, creating a truly unified and comprehensive platform for infrastructure planning.

Maritime Amrit Kaal Vision 2047

The Maritime Amrit Kaal Vision 2047, aligned with blue economy principles, lays out a long-term roadmap to transform India's maritime sector. It focuses on expanding port capacity, operational efficiency through digitization and automation, and promoting green initiatives like hydrogen hubs. The vision also aims to boost coastal tourism, strengthen maritime skill development, and position India as a global hub for shipbuilding and repair. At the **Global Maritime India Summit (GMIS) 2023**, over **₹10 lakh crore** in investments were committed, including **360 MoUs** worth **₹8.35 lakh crore** and additional projects worth **₹1.68 lakh crore**, signaling strong momentum in maritime development.

Dedicated Freight Corridors

The Ministry of Railways is currently developing two Dedicated Freight Corridors (DFCs), namely, the Eastern Dedicated Freight Corridor (EDFC) from **Ludhiana to Sonnagar (1337 Km)** and the Western Dedicated Freight Corridor (WDFC) from **Jawaharlal Nehru Port Terminal (JNPT) to Dadri (1506 Km)**. They are specifically designed to carry heavy freight traffic throughout the country. The objectives of these specialized railway lines are to ease congestion on existing passenger routes, lower transportation costs, and improve energy efficiency. Out of the total 2843Km, 2741 Route Kilometers (96.4%) are operational as of March 2025. The corridors are expected to accelerate industrial development and create significant employment opportunities in logistics and related sectors.



Dedicated Freight Corridors



Source: Ministry of Railways (PIB)

Multi-Modal Logistics Park

With large-scale warehousing and storage facilities, these hubs under the Bharatmala Pariyojana bring together different aspects of logistics in one location. Based on the regional feasibility and demand, **35 key locations** such as **Chennai, Bengaluru, Nagpur, Indore**, and others have been approved in different parts of the country through both private and public sector efforts for the development of Multi-Modal Logistics Parks (MMLPs). Out of these, 5 are expected to be operational by 2027. These parks are designed to boost logistics efficiency, thereby bringing down overall logistics costs, making the supply chain business-friendly.

The Logistics Data Bank (LDB)

LDB, an app that traces the EXIM cargo, has been successful in tracking the movement of more than **75 million EXIM containers** as of October 2024. This is yet another impressive achievement that highlights its vital role in enhancing the transparency, efficiency and real-time visibility across India's entire supply chain. This also clearly demonstrates the push for a smarter, technology-driven ecosystem. LDB has also earned the trust of the trade community with an average of over **45 lakh** unique container searches per month. This high level of usage underscores how effective and valuable the system has become across the logistics sector.

Unified Logistics Interface Platform (ULIP)

ULIP, a digital platform that brings together data from various logistics-related ministries and departments on a single interface, has reached a major milestone by successfully recording **100 crore API transactions in March, 2025**. This notable accomplishment reflects the rapid transformation in India's Logistics sector. This achievement not only demonstrates the platform's technological strength but also showcases India's dedication to building a globally competitive logistics network. ULIP also enables shipment ETAs (estimated time of arrival), helping manufacturers manage inventories better and reduce operational costs.

Goods and Services Tax

Since the implementation of the Goods and Services Tax (GST) in 2017, the movement of goods across the country has become more streamlined by reducing transit delays, and enabling cost-effective supply-chain planning across the country. It has been a major reform for Indian logistics, eliminating the interstate checkpoints and simplifying the overall tax structures, **improving the transport time by over 33%**, and increasing productivity in the transportation and logistics sector, according to several studies.

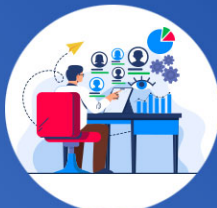
Introduction of E-Way Bill

The e-Way Bill is a digital document under the GST framework that aims to eliminate physical paperwork, enhance transparency, reduce tax evasion, and streamline the transportation of goods by simplifying interstate vehicle movement. It is mandatory to transport goods worth over **₹50,000** between states using motorized vehicles. By mandating e-Way Bills for high-value consignments, the government seeks to improve compliance and logistics efficiency nationwide.

Gati Shakti Vishwavidyalaya (GSV)

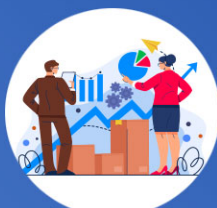
The GSV, envisioned by Prime Minister Narendra Modi, is India's first university dedicated to transport and logistics education. The idea behind this is closely linked to the NMP, which aims to transform how goods move across India by building smarter, faster, and more efficient infrastructure. GSV plays a key role in preparing skilled professionals to support this national goal. Gati Shakti Vishwavidyalaya has signed **Memoranda of Understanding (MoUs)** with about **40 different industrial and academic institutions**.

Logistics Spearheading India's Economy



Generates Large Scale Employment

Provides livelihood to **22 million** people.
Projected to add **1 crore jobs** by 2027.



Contributes Significantly To GDP

Approximately **13%-14%**.



Enhances Trade and Exports

Rise in exports from **USD 466.22 Billion** in 2013-14 to **USD 824.9 Billion** in 2024-25.

Source: IBEF and PIB

Make in India



India's emergence as a global manufacturing hub has attracted major international companies, creating vast opportunities for the logistics sector and boosting GDP through increased FDI.

Mercedes-Benz is investing US\$ 24.03 million to introduce over 12 vehicles, including electric models.



Boeing has opened a US\$ 192.51 million Engineering and Technology Centre near Bengaluru, its largest facility outside the US.

E-commerce giants like Amazon and Flipkart have driven rapid growth, with the sector expected to reach US\$ 325 billion by 2030 at 21% CAGR.



Foxconn is investing US\$ 1.5 billion to expand production in India, supporting Apple's plan to manufacture most US-bound iPhones locally.

Logistics Ease Across Different States (LEADS)

LEADS is an annual report released by the **Ministry of Commerce & Industry, Government of India**, to assess the logistics performance of States and Union Territories across infrastructure, services, regulatory environment, and sustainability, offering insights to guide policy and investment decisions. Based on inputs from thousands of industry participants such as manufacturers, exporters, logistics providers, it gives a ground-level view of logistics challenges.



Path to Sustainability

In a world where convenience often comes at the cost of environmental harm, India's Logistics Sector is embracing a greener path. With sustainability being the need of the hour, it is becoming an integral part of India's logistics strategy through government-led programs and infrastructure investments, showing a systematic push towards **green logistics**.

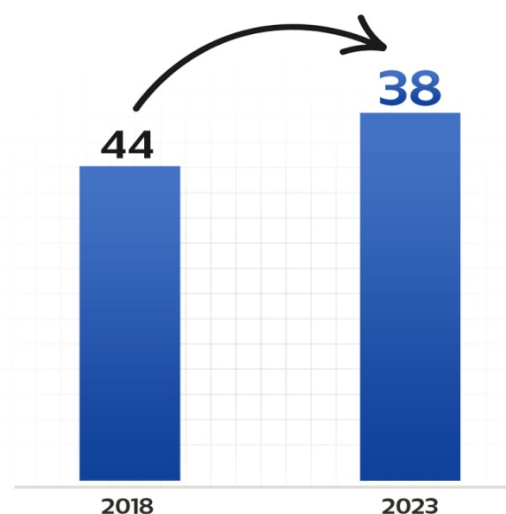
The **Freight Greenhouse Gas (GHG) Calculator** has been developed for calculating and comparing the total cost of transportation and GHG emissions to build awareness and support sustainable development. The Indian Railways has launched **Rail Green Points** for freight customers, allowing them to see potential carbon emission savings. Recognizing the environmental benefits of rail transport, the government aims to increase the railway's freight share from 35–36% to 45% by 2030. Initiatives like the **Coal Logistics Plan** also propose a shift toward a rail-based system to reduce emissions.

Digital platforms like ULIP are further supporting sustainability by helping companies such as Century Plywoods and TCIL select greener transportation modes, contributing to India's broader **carbon reduction goals**.

Milestones and the Road Ahead

The World Bank has reaffirmed India's growing stature in the logistics sector, with the country climbing to **38th place out of 139 nations** in its 2023 Logistics Performance Index (LPI). This is a notable improvement of six places since the last ranking in 2018. The steep climb in rankings reinforces the government's commitment to modernize and streamline India's logistics sector. India aspires to be among the world's top 25 logistics performers by 2030, aiming to bring logistics costs below 10% of GDP.

World Bank's Logistics Performance Index (LPI)



Source: World Bank

The Inland Waterways Authority of India (IWAI) recently reported a record cargo movement of **145.5 million tonnes** in the year 2024–25. This landmark achievement was driven largely by ongoing investments and robust government policies. The number of operational national waterways has also increased from **24 to 29** during the same period.

Conclusion

The Government is fully committed to building a smart, technology-driven logistics system that ensures more seamless movement of goods. Logistics is more than just transportation. It's about moving the nation forward, connecting aspirations with opportunities. With rising consumer demand, there is a significant opportunity to strengthen this sector. A strong logistics network creates more jobs and supports balanced growth across the country. It will also play a key role in helping India become a USD 5 trillion economy by 2027. With its vast potential, logistics can transform trade, open up new opportunities, and strengthen the economy, bringing India closer to the vision of **Viksit Bharat 2047**.

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10 global corporations expanding operations in India in 2025

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